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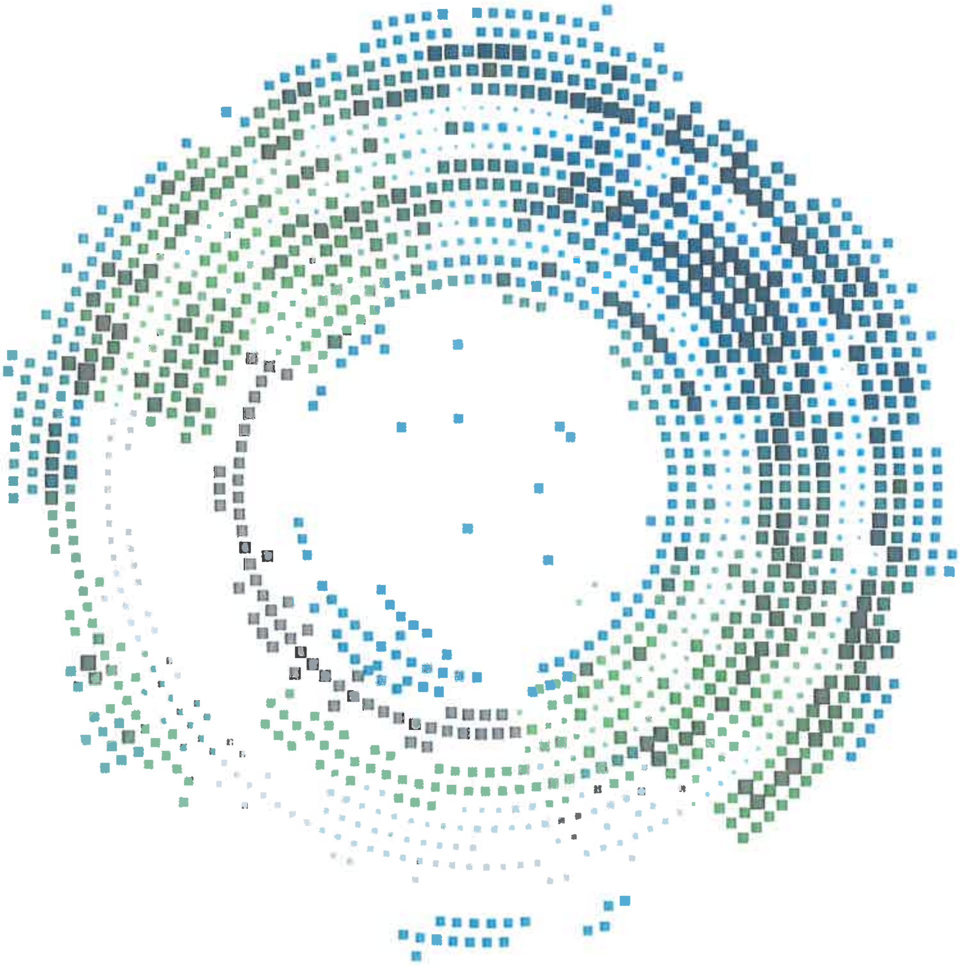

EHI Fund Denmark ApS

Kay Fiskers Plads 9, st.
2300 Copenhagen S
CVR No. 27438377

Annual report 2019

The Annual General Meeting adopted the annual report on 22.04.2020

Daniel Christer Ewerlöf
Chairman of the General Meeting

Contents

Entity details

Entity

EHI Fund Denmark ApS
Kay Fiskers Plads 9, st.
2300 Copenhagen S

CVR No.: 27438377
Registered office: Copenhagen
Financial year: 01.01.2019 - 31.12.2019

Executive Board

Daniel Christer Ewerlöf, Director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

Statement by Management

The Executive Board has today considered and approved the annual report of EHI Fund Denmark ApS for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 22.04.2020

Executive Board

Daniel Christer Ewerlöf
Director

Independent auditor's report

To the shareholder of EHI Fund Denmark ApS

Opinion

We have audited the financial statements of EHI Fund Denmark ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 22.04.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Kronow
State-Authorised Public Accountant
Identification No (MNE) mne19708

Management commentary

Financial highlights

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Key figures					
Revenue	54,443	46,793	54,734	52,081	49,522
Gross profit/loss	39,972	35,403	37,608	37,560	29,459
Operating profit/loss	39,972	35,403	37,608	37,560	29,459
Net financials	(7,861)	(6,796)	(7,853)	(8,487)	(15,616)
Profit/loss for the year	38,329	43,092	10,365	23,326	11,080
Total assets	641,277	611,156	629,724	625,238	606,719
Investments in property, plant and equipment	14,487	781	4,706	7,620	7,365
Equity	283,978	271,572	301,703	290,701	267,638
Ratios					
Gross margin (%)	73.42	75.66	68.71	72.12	59.49
Return of investment (%)	6,2	10,1	3,6	5,6	4,9
Equity ratio (%)	44.28	44.44	47.91	46.49	44.11

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):
Gross profit/loss * 100
Revenue

Return of investment (%):
EBIT * 100
Total assets

Equity ratio (%):
Equity * 100
Total assets

Primary activities
The Company's purpose is to invest in commercial properties and through active management to optimise the operation of these.

Development in activities and finances
Profit for the year before tax amounts to DKK 48,942 thousand, including a positive value adjustment of DKK 16,832 thousand.

Profit for the year after tax amounts to DKK 38,329 thousand and Management considers the results satisfactory.

Uncertainty relating to recognition and measurement
The properties are measured and recognised in the balance sheet at value based on an assessment made by an established, independent real estate appraiser. As to the uncertainty regarding recognition and measurement of investment properties, please see note 1 to the financial statements.

Events after the balance sheet date
After the FY 2019 financial year ended, the COVID-19 pandemic started to take hold and in the first quarter of 2020 has significantly amplified its impact on global markets and trade, and also in Denmark where all of EHI fund Denmark ApS properties are located. The pandemic continues to evolve at the time of signing EHI Fund Denmark ApS FY 2019 financial statements. Due to this, it is difficult to predict the possible future financial impact. However, The Company is relatively well-positioned given the following:

- significant cash at bank in late March 2020 of approximately 12 million kronor accumulated from operating cashflows
- completion of the transactions of the two assets C.F. Tietgensvej 10 and Hjulmagervej 3-19 and net receipt of proceeds

Based on the above, EHI Fund Denmark ApS is expected to be able to meet its obligations as they come due.

Apart from this no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK '000
Revenue		54,443	46,793
Other external expenses		(14,471)	(11,390)
Gross profit/loss		**39,972**	**35,403**
Other financial income		32	0
Other financial expenses	2	(7,893)	(6,796)
Profit/loss before fair value adjustments and tax		**32,111**	**28,607**
Fair value adjustment of investment properties		16,832	26,613
Profit/loss before tax		**48,943**	**55,220**
Tax on profit/loss for the year	3	(10,614)	(12,128)
Profit/loss for the year		**38,329**	**43,092**
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		0	10,700
Extraordinary dividend distributed in the financial year		15,700	73,436
Retained earnings		22,629	(41,044)
Proposed distribution of profit and loss		**38,329**	**43,092**

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Investment property		625,466	594,147
Property, plant and equipment	4	**625,466**	**594,147**
Fixed assets		**625,466**	**594,147**
Trade receivables		236	695
Receivables from group enterprises		4,454	2,755
Other receivables		1,048	2,214
Income tax receivable		0	293
Prepayments		518	571
Receivables		**6,256**	**6,528**
Cash		**9,555**	**10,481**
Current assets		**15,811**	**17,009**
Assets		**641,277**	**611,156**

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		226	226
Retained earnings		283,752	260,646
Proposed dividend		0	10,700
Equity		**283,978**	**271,572**
Deferred tax		37,335	31,235
Provisions		**37,335**	**31,235**
Mortgage debt		0	193,363
Prepayments received from customers		13,945	8,255
Payables to group enterprises		266,423	90,631
Non-current liabilities other than provisions		**280,368**	**292,249**
Prepayments received from customers		6,376	8,689
Trade payables		7,499	6,295
Payables to group enterprises		21,197	347
Income tax payable		4,524	0
Other payables	5	0	769
Current liabilities other than provisions		**39,596**	**16,100**
Liabilities other than provisions		**319,964**	**308,349**
Equity and liabilities		**641,277**	**611,156**

Uncertainty relating to recognition and measurement	1
Working conditions	6
Contingent liabilities	7
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Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	226	260,646	10,700	271,572
Ordinary dividend paid	0	0	(10,700)	(10,700)
Extraordinary dividend paid	0	(15,700)	0	(15,700)
Fair value adjustments of hedging instruments	0	612	0	612
Tax of entries on equity	0	(135)	0	(135)
Profit/loss for the year	0	38,329	0	38,329
Equity end of year	**226**	**283,752**	**0**	**283,978**

Notes

1 Uncertainty relating to recognition and measurement

Regarding the practical use of the accounting policies specified, Management has made a significant accounting estimate based on an external value assessment of the portfolio.

At 31 December 2019, the properties have been recognised at a fair value of DKK 625 million.

At 31 December 2019, the portfolio has been recognised based on external and independent experts' assessment to get the most accurate fair value in a non-forced transaction between two independent parties.

The most important factor in the fair value calculation is the rate of return. An increase in the rate of return will lead to a decrease in the fair value and, on the other hand, a decrease in the rate of return will mean an increase in the fair value. At present, the market is very volatile. For the sensitivity when calculating the fair value of the investment properties see note 4.

Investment properties are measured at fair value. The fair value is calculated using established valuation techniques (RICS valuation model - red book).

2 Other financial expenses

	2019 DKK'000	2018 DKK'000
Financial expenses from group enterprises	3,102	3,263
Other interest expenses	4,783	3,531
Exchange rate adjustments	8	2
	7,893	**6,796**

3 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Current tax	4,760	3,387
Change in deferred tax	6,100	8,741
Adjustment concerning previous years	(246)	0
	10,614	**12,128**

4 Property, plant and equipment

	Investment property DKK'000
Cost beginning of year	685,804
Additions	14,487
Cost end of year	**700,291**
Depreciation and impairment losses beginning of year	(91,657)
Reversal of impairment losses	16,832
Depreciation and impairment losses end of year	**(74,825)**
Carrying amount end of year	**625,466**

Assumptions when calculating the fair value of the investment properties

The investment properties are measured at fair value. The fair value is calculated using established valuation techniques (the RICS valuation model - red book).

The investment properties consist of warehouses and office buildings located in the metropolitan area and the Triangle Region.

The total fair value of DKK 625,466 thousand has been calculated by the following assumptions:

- The budget period consists of 10 years and a termination period.
- The increase in market rent is set at 2%.
- The expected idle rent in per cent of the rental income is between 0% and 40% in the first year of the budget period and drops to between 7.6% and 25.7% at the end of the budget period.

Sensitivity when calculating the fair value of the investment properties

At 31 December 2019, the market value has been assessed using an individually fixed rate of return between 6.2% and 7.2%. The average rate of return can be calculated at 6.7%.

Changes in the estimate of the rate of return on the investment properties will affect the value of the investment properties recognised in the balance sheet and the value adjustment recognised in the income statement.

Change in the average rate of return:

	-0.5%	Basis	+0.5%
Rate of return	6.2%	6.7%	7.2%
Fair value	675,505	625,466	583,329
Change in fair value	50,039	0	(43,137)

The valuation for the year has resulted in a revaluation of DKK 16,832 thousand.

5 Other payables

	2019 DKK'000	2018 DKK'000
Other costs payable	0	769
	0	**769**

6 Working conditions

The Company has no employees other than the Executive Board.

7 Contingent liabilities

	2019 DKK'000	2018 DKK'000
Other contingent liabilities	5,358	4,984
Contingent liabilities	**5,358**	**4,984**

Other contingent liabilities relate to VAT adjustment liability.

8 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Euroind Three C.V., Amsterdam, The Netherlands

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

The annual report is presented in DKK'000.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Revenue

Rental income is recognised on a straight-line basis during the rental period.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to office conditions, audit and so on.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by using the DCF model as the calculated value in use of expected cash flows from each property. To determine expected cash flows, the budgeted cash flows for each property for the next 10 years is used, including increases in price and rent levels, and a calculated terminal value which reflects the amount of normalised cash flows expected to be generated by the property after the budget period. The cash flows so calculated are discounted to net present value by using a discount rate that is estimated to reflect current market

-required yield rates for similar properties inclusive of expected inflation.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Mortgage debt
At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities
Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.